

ASSEMBLY BILL

No. 978

Introduced by Assembly Member V. Manuel Perez

February 26, 2009

An act to add Section 7286.61 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 978, as introduced, V. Manuel Perez. Transactions and use taxes: counties: economic development.

Existing law authorizes various local governmental entities, in accordance with certain requirements and limitations, to adopt ordinances to levy transactions and use taxes pursuant to the Transactions and Use Tax Law and to contract with the State Board of Equalization to perform all functions incident to the administrative and operation of the ordinance.

This bill would additionally authorize the board of supervisors of a county to impose a transactions and use tax at a rate of 0.125% by the adoption of an ordinance, as specified, if certain conditions are met. Revenues from the tax could be used only for funding economic development within the county, including the construction and acquisition of facilities within the county, as provided.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7286.61 is added to the Revenue and
- 2 Taxation Code, to read:

1 7286.61. (a) In addition to the tax levied pursuant to Part 1.5
2 (commencing with Section 7200), and any other tax authorized by
3 this part, the board of supervisors of a county may impose a
4 transactions and use tax for the purposes described in paragraph
5 (4), by the adoption of an ordinance in accordance with this part
6 if each of the following conditions are met:

7 (1) The ordinance imposing the tax is submitted to and approved
8 by the voters of the county by a two-thirds vote of those voters
9 voting on the ordinance in accordance with Article 3.7
10 (commencing with Section 53720) of Chapter 4 of Part 1 of
11 Division 2 of Title 5 of the Government Code.

12 (2) The ordinance includes an expenditure plan describing the
13 specific purposes for which the revenues from the tax may be
14 expended.

15 (3) The tax is imposed at a rate of 0.125 percent for a period
16 not to exceed 16 years.

17 (4) The revenues collected from the tax are used only for funding
18 economic development projects, including, but not limited to, the
19 construction and acquisition of facilities within the county.

20 (5) The transactions and use tax conforms to Part 1.6
21 (commencing with Section 7251) including the limitation in Section
22 7251.1 on the combined rate of all taxes in the county imposed
23 pursuant to that part..

24 (b) The board of supervisors may impose a transactions and use
25 tax in any succeeding period not to exceed 16 years per period if
26 all of the conditions specified in subdivision (a) are met for that
27 succeeding period.